

ACE LANSDOWNE INVESTMENTS SERVICES LLP
ANTI MONEY LAUNDERING POLICY

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Applicability

The Designated Partners of Ace Lansdowne Investments Services LLP, at their meeting held on 01/04/2019, adopted the Anti Money Laundering /Combating Financial Terrorism policy as given below.

Purpose of the Policy

The Fund strives to maintain best practices for a SEBI registered Alternative Investment Fund & Alternative Investment Advisor and is committed to ensure that it is not used as an intermediary for any illegal activities including money laundering.

The objective of having this Policy is to put in place anti money laundering norms by having in place adequate system and controls that help the Fund to screen potential clients to avoid associating with potential clients of questionable credentials, generate suspicion alerts, scrutinize the matter and if found in breach of law report the matter to FIU.

Definitions

Client	means any entity or person who is an investor in the fund or is proposing to invest in the fund or being advised by the Investment Advisor
Central KYC (CKYC)	Means the Central KYC Registry which is a centralized repository of records of investors in the financial sector.
Cash transaction report (CTR)	Means a Cash transaction report submitted with the FIU, India.
Designated Director	Means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under the Act and the Rules there under.
Financial Intelligence Unit (FIU)	FIU India means the Financial Intelligence unit of India, the central agency of the government which receives financial information pursuant to the country's anti-money laundering laws, analyses and processes this information and disseminates the information to appropriate national and inter-national authorities.
Know Your Client (KYC)	KYC means the Know Your Client framework specified by SEBI.
KYC Registration Agency (KRA)	KRA means the agency which maintains the KYC records of investors, on behalf of capital market intermediaries registered with SEBI.
Principal Officer	Principal Officer refers to the person appointed by the Designated

	Partners and would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management (Designated Partners).
Ultimate Beneficial Owner (UBO)	UBO means the natural person or persons who ultimately own, control or influence a Client and/or persons on whose behalf a transaction is being conducted including those persons who exercise ultimate effective control over a legal person or arrangement;
Suspicious transaction report (STR)	STR means a suspicious transaction report submitted with FIU, India.

Principal Officer & Designated Director

Mr. Vikram Kotak and Mr. Darshit Shah are appointed as Designated Director of the AIF and Investment Advisor respectively and Ms. Aditi Dave is appointed as the Principal Officer of both entities for its anti-money laundering program (“AML” program), with full responsibility for the the Funds AML program. The Fund believes that both Designated Director and Principal Officer are qualified by experience, knowledge and training. The duties of the Principal Officer & Designated Director will include monitoring the Funds compliance with AML obligations and overseeing communication and training for employees. The Principal Officer will also ensure that proper AML records are kept. When warranted, the Principal Officer will ensure filing of necessary reports with the Financial Intelligence Unit (FIU – IND).

The Fund has provided the FIU with contact information for the Principal Officer & Designated Director, including name, title, mailing address, e-mail address and telephone number. The Fund will promptly notify FIU of any change to this information.

Compliance Process

The Compliance process is mentioned here below:

KYC requirements

The clients in each fund shall comply with the KYC norms specified by the regulators.

Customer Acceptance Process

- The Fund shall collect the KYC/CKYC/KRA form of the client as per the format prescribed by SEBI.
- Where clients have already complied with KYC requirements, The Fund shall download the KYC/CKYC/KRA form and update the details of the client wherever required.

- Details of UBO shall be exempt for low risk clients. Medium risk clients can declare that no UBO over 25%. High risk clients shall be required to provide UBO details as per SEBI circular CIR/MIRSD/11/2012 dated September 12, 2013.
- Records of all identification information shall be maintained for 5 years.

Risk Categorisation

The nature and extent of due diligence shall depend on the risk perceived by the Compliance team. Parameters of risk perception shall be clearly defined in terms of the nature of business activity, location of customer and his clients, mode of payments, etc., to enable categorization of customers into low, medium and high risk called Level I, Level II and Level III respectively. The risk to the customer shall be assigned on the following basis:

Low Risk (Level I):

Low risk clients shall include the below categories:

- Government departments
- Government owned companies
- Regulators
- Statutory bodies
- Multilateral institutions
- Foreign central banks
- Sovereign wealth funds

The details of UBO will be exempt for low risk clients.

Medium Risk (Level II):

These clients will include:

- Appropriately regulated broad based funds such as Mutual Funds, Investment Trusts, Insurance / Reinsurance Companies.
- Appropriately regulated entities such as Banks, Asset Management Companies, Investment Managers/ Advisors, Portfolio Managers.
- Broad based funds whose investment manager is appropriately regulated
- University Funds and Pension Funds
- University related Endowments already registered with SEBI as FII/Sub Account/FPI.

Above entities can give a declaration that no UBO above 25%.

High Risk (Level III):

The Member may apply enhanced due diligence measures based on the risk assessment, thereby requiring intensive 'due diligence' for higher risk customers, especially those for whom the sources of funds are not clear. The examples of customers requiring higher due diligence may include:

- Non Resident Customers
- High Net worth individuals whose profile seems uncertain
- Trusts, charities, NGOs and organizations receiving donations
- Firms with 'sleeping partners'
- Politically Exposed Persons (PEPs)
- Non-face to face customers
- Those with dubious reputation as per public information available
- Endowments, Charitable Societies/Trust, Foundations
- Corporate Bodies, Trusts, Individuals, Family Offices, etc.

Clients of special category (CSC)

The clients falling under High Risk (Level III) would be identified under clients of special category.

Customer Identification Procedure & Client Due Diligence (CDD)

- Customer identification means identifying the person and verifying his/her identity by using reliable, independent source documents, data or information. Besides risk perception, the nature of information/documents required would also depend on the type of customer (individual, corporate, etc). For customers that are legal persons or entities, the Fund shall
 - Verify the legal status of the legal person/entity through proper and relevant documents;
 - Verify that any person purporting to act on behalf of the legal person/ entity is so authorized and identify and verify the identity of that person;
 - Understand the ownership and control structure of the customer and determine who are beneficial owner(s) i.e. the natural persons who ultimately control the legal person. PAN & address proof of beneficial owner will taken so as to verify his identity;
- Details of PAN received will be verified by Compliance against various available databases including but not limited to the Income Tax/ NSDL website, SEBI debarred list, UNSC list and Watchout Investors. Further, Compliance will also cross reference the entities against news reports to check possible criminal, civil, or regulatory violations. Any negative observations may lead to rejection of the prospective client.
- In case of PEP clients, the approval of partner(s) of the Fund will be obtained for acceptance of client.

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- the Fund shall revisit the CDD process when there are suspicions of money laundering or financing of terrorism (ML/FT); and
 - The Fund may decide not to engage with a client where it is unable to apply appropriate customer due diligence measures i.e. unable to verify the identity and/or obtain documents required as per the risk categorization due to non-cooperation of the customer or non reliability of data/information furnished.

Maintenance of records

- The Principal Officer will be responsible for the maintenance for following records.
 - The nature of the transactions;
 - The amount of the transaction and the currency in which it was denominated;
 - The date on which the transaction was conducted; and
 - The parties to the transaction

Monitoring of Transactions for suspicious activity

Suspicious transaction means a transaction whether or not made in cash, which to a person acting in good faith -

- Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- Appears to be made in circumstances of unusual or unjustified complexity; or
- Appears to have no economic rationale or bonafide purpose; or
- Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism

The following kinds of activities are to be mentioned as Red Flags and reported to the Principal Officer:

- The customer exhibits unusual concern about the the Funds compliance with government reporting requirements and the Funds AML policies (particularly concerning his or her identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspicious identification or business documents;
 - The customer has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations or exhibits a lack of concern regarding risks, commissions, or other transaction costs;
 - The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity;
 - Activity which gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime or appears to be made in circumstances of unusual or unjustified
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complexity or Activity that appears to have no economic rationale or bonafide purpose or Activity that gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism.

- Clients whose identity verification seems difficult or clients appears not to cooperate;

Reporting to FIU IND

- For Cash Transaction Reporting (CTR)
 - The Fund will receive all payments through banking channels only and on no account will any payment be received from any client in the form of cash.
- For Suspicious Transactions Reporting (STR)
 - The Fund will make a note of Suspicion Transaction that have not been explained to the satisfaction of the Principal Officer and thereafter report the same to the FIU IND within the required deadlines. This will typically be in cases where The Fund knows, suspects, or have reason to suspect:
 - That the transaction involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity as part of a plan to violate or evade any the transaction reporting requirement;
 - The Fund will not base its decision on whether to file a STR solely on whether the transaction falls above a set threshold. The Fund will file a STR and notify law enforcement of all transactions that raise an identifiable suspicion of criminal, terrorist, or corrupt activities.
 - All STRs will be reported to the Designated Partners, with a clear reminder of the need to maintain the confidentiality of the STRs
 - The Fund will not notify any person involved in the transaction that the transaction has been reported, except as permitted by the PMLA Act and Rules thereof.

Record Keeping

STR Maintenance and Confidentiality

- The Fund will hold STRs and any supporting documentation confidential. The Fund will not inform anyone outside of a law enforcement or regulatory agency or securities regulator about a STR unless permitted by law.
- As part of The Fund's AML program, The Fund will create and maintain STRs and CTRs and relevant documentation on customer identity and verification. The Fund will maintain STRs and their accompanying documentation for at least five years and/or in accordance with AML regulations.

Employee Hiring & Training:-

- All the proposed application for employment shall be taken only from the person who have been interviewed and screened or are known to existing staff or partners.
- Education and employment information which uniquely qualifies candidates for the position will be verified. In addition, reference checks will be completed prior to making the hiring decision. Employment verification shall be endeavored be completed before making an offer of employment to any individual.
- Ongoing employee training under the leadership of the Principal Officer and Designated Partner will be carried out. Training will occur based on our firm's size, its customer base, and its resources.
- Training will include, at a minimum: how to identify red flags and signs of money laundering that arise during the course of the employees' duties; what to do once the risk is identified; what employees' roles are in the firm's compliance efforts and how to perform them; the firm's record retention policy; and the disciplinary consequences (including civil and criminal penalties) for non-compliance with the PMLA Act.
- The Fund will develop training in our firm, or outsource it. Delivery of the training may include in-person lectures and explanatory memos.

Policy Review

This policy must be reviewed as and when there are regulatory amendments and in absence of any amendment, on annual basis.