

I. STATEMENT OF POLICY

Daiwa Capital Markets America Inc. ("DCMA" or the "firm") and its senior management are firmly committed to compliance with all laws, rules and regulations relating to combating money laundering, including those rules and regulations requiring the reporting of currency transactions, certain monetary instruments and suspicious activity. As a registered broker-dealer and futures commission merchant, DCMA is subject to numerous anti-money laundering and asset freezing statutes, rules and regulations. DCMA's policy is to comply fully with all of these requirements and to cooperate fully with all governmental instructions regarding these subjects. The key imperatives, which are discussed more completely in the detailed policies and procedures below, may be summarized as follows.

1. **DCMA will not transfer or permit the withdrawal of any funds or other assets we 'know' to be the proceeds of some form of unlawful activity.** For this purpose, "knowing" includes having enough facts to reach a reasonable conclusion; certainty is not required, and "turning a blind eye" is not permissible.
2. **We will be alert to suspicious activity suggestive of possible money laundering, and will file Suspicious Activity Reports (or SARs) if warranted.** SARs will be filed on a confidential basis, without notifying the non-Daiwa parties involved. The kinds of circumstances that may be regarded as suspicious are outlined below.
3. **We will freeze and block the transfer of any assets identified with persons or entities on the US Government's list of designated persons or entities subject to asset freezing restrictions.** To comply with these rules, we will review names associated with new and existing accounts, wire transfers and payments against the designated person lists.
4. **DCMA will not accept currency deposits or make payments in currency.** In the unlikely event that an exception to this policy is made, we will file currency transaction reports for any transaction, or series of transactions, exceeding \$10,000 or appearing to be part of a larger set of transactions exceeding \$10,000.
5. **DCMA will maintain records containing detailed information regarding all transfers of funds into or out of the firm.** The "travel rules" require such information for all transfers, including checks and wires, with some exceptions, and require that the information be retained for 5 years.
6. **We will conduct internal training sessions and internal audit reviews to promote compliance with these policies.**

All employees are required to know this policy and related procedures. All employees are required to report violations, suspected violations or suspicious activity to their supervisor or directly to the Chief AML Officer, the Compliance or Legal Department. Supervisors, in turn, are required to report such matters to a member of the Anti-Money Laundering Committee ("AML Committee") (see [Section III, DCMA's Compliance Program](#), for a description of the AML Committee) or to the Chief AML Officer, the Legal or Compliance Department. Employees who violate these procedures may be subject to severe penalties, including discipline and dismissal.

Chief AML Officer Designation

DCMA has designated the individual identified below as its chief anti-money laundering officer ("Chief AML Officer"). The Compliance Department will promptly update the FINRA contact system whenever a Chief AML Officer is designated by DCMA. The Compliance Department is responsible for notifying FINRA of such designation, and maintaining records of the notice. The Compliance Department shall keep contact details current by reviewing the Contact System quarterly (or at any such other interval required by FINRA.) **DCMA has designated Isabel De Jesus as Chief Anti-Money Laundering Officer effective August 8, 2008.**

Senior Management Approval of Policies

I, Stewart M. Scott, III, a Managing Director and Chief Compliance Officer, confirm having received, reviewed and approved a copy of the document titled ANTI-MONEY LAUNDERING AND ASSET BLOCKING POLICIES

Print Name: Stewart M. Scott, III Signature: S/ On file /Date: 05/04/2012

I, Isabel De Jesus, a Senior Vice President in the Compliance Department of DCMA and DCMA's Chief AML Officer, confirm having received, reviewed and approved a copy of the document titled ANTI-MONEY LAUNDERING AND ASSET BLOCKING POLICIES

Print Name: Isabel De Jesus Signature S/ On file /Date: 05/04/2012