



**Financial Services
Commission**

Notes for Completion Experienced Investor Fund Return

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Introduction

These notes for completion endeavour to provide clarification on the completion of the Experienced Investor Fund Return (the “Return”). The Return is not a replacement for legislative or other requirements that may apply, from time to time.

The Return is required to be submitted in accordance with Regulation 12 of the Financial Services (Experienced Investor Funds) Regulations 2012 (“EIF Regulations”) on an annual basis and is to be completed for every registered Experienced Investor Fund (“EIF”).

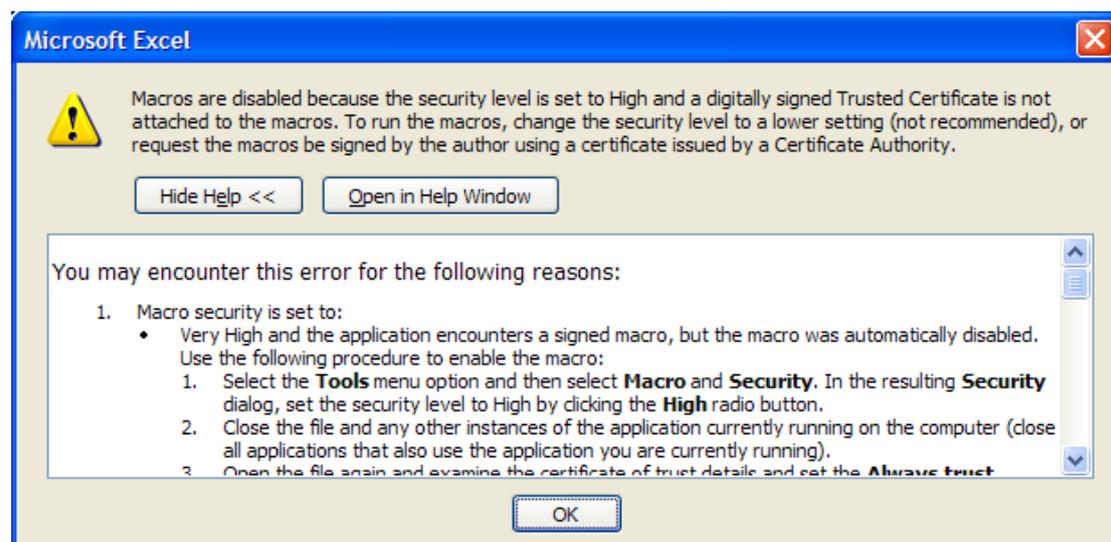
The main purpose of the Return is to allow the Financial Services Commission (“FSC”) to monitor specific EIF activity and performance as well as allow for the collation of statistical information in relation to the EIF industry as a whole. Any information collected pertaining to individual EIFs will not be disclosed but may be used collectively in the presentation of statistics on the FSC website.

These notes aim to provide clarification as to the use of the Return and information that the FSC expect to receive.

Security Settings

Upon first using the template, you may be alerted by a Microsoft Excel Macros security setting alert screen as illustrated below:

Fig. 1



This is because the Macro security on your PC has been set high and therefore the Macro has been automatically disabled. The system gives you a number of options, however the recommended course of action is to use the following procedure to enable the Macro:

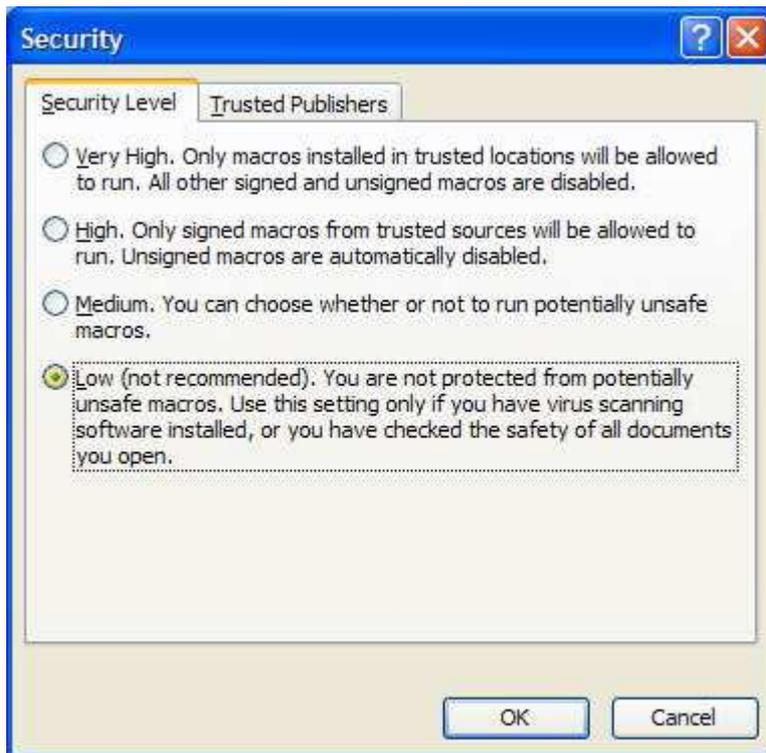
1. Select the **Tools** menu option and then select **Macro** and **Security**. In the resulting **Security** dialog (see illustrations below):

Fig. 2



2. Set the security level to Low by clicking the Low button.

Fig. 3



The Return Template

Excel

The Return has been developed as an Excel document in order to facilitate the completion of the return. The return template is available on the FSC website for electronic completion.

The Return is made up of a number of sheets as illustrated in figure 1. Specific information will also be sought in relation to the sub-funds/cells.

Fig. 1



The cells in each sheet are protected and cannot be altered. The only cells that can be typed into are shaded in yellow.

For ease of reference each sheet has numbered rows, with some sheets also incorporating column headings. These references should be used where possible when communicating with the FSC.

Sub-Funds/Cells

A separate Fund Performance worksheet needs to be completed for each sub-fund/cell of each EIF as the case may be. A separate worksheet will be created once the number of sub-fund/cell has been inputted into the Return; this is required to be inputted when opening the worksheet.

Submission

The Return is to be submitted when the financial statements are due, i.e. within 6 months of the EIFs financial reporting date.

It is intended therefore for the Return to provide a snap-shot of the regulatory and financial position of the EIF at its year end.

A Return should be submitted for all EIFs. Where a particular EIF would find this request difficult to comply with, the EIF should liaise accordingly with the FSC.

Once the Return has been completed electronically the Return should be printed as a workbook and signed off by at least two members of the Board of Directors of the EIF (or equivalent for non-corporate EIFs). The original or an electronic copy can be submitted to the FSC.

Details of the information that is to be provided in each of the fields of the Return has been included in Appendix 1 of these notes.

Review

It is expected that the Return is reviewed and approved by the Board of Directors of the EIF (or equivalent for non-corporate EIFs). It is, however, the duty of the administrator to ensure that the Return is submitted within the specified timeframe.

It is understood that the Board of Directors of the EIF (or equivalent for non-corporate EIFs) may delegate the collation of the information to the administrator however it remains the responsibility of the directors to ensure that the information provided in the Return is correct in all material respects.

Summary

In summary, the Return must be:

- Completed in respect of the activity of the EIF as a whole for period ending the respective financial reporting period of the EIF.
- Financial performance sheet to be completed for each sub-fund/cell.
- Printed as a workbook.
- Reviewed and signed-off by at least two EIF licensed directors.
- Submitted within 6 months of year end.

Appendix 1

The table below sets out an explanation of the information required to be completed in each of the fields, which are numbered accordingly, of the return.

In the below table the following abbreviations have been used:

Financial Services (Collective Investment Schemes) Act 2011 = CIS Act

Financial Services (Experienced Investor Funds) 2012 = EIF Regs

Financial Services (Investment and Fiduciary Services) Act = FSA89

References to sub-fund in the below table should also be read as meaning cell.

Section	Subsection	Explanatory Information
Corporate Governance		
1.00		
	1.01 Exchange (if listed)	The exchanges the fund is listed on. Where the fund is not listed on an exchange, this field should be marked as N/A.
	1.02 Directors	The names of the directors of the EIF, marking accordingly in column C which of the directors are authorised under the FSA 89 Act to provide EIF directorships. The number of meetings each of the directors have attended during the reporting period is to be included in column A and the number of resolutions in which the director has signed is to be recorded in column B.
	1.03 Number of board resolutions	The total number of Board resolutions passed by the Board of Directors of the fund for the reporting period
	1.04 Number of board meetings	The total number of Board meetings held by the fund for the reporting period
	1.05 Provide an explanation for the number of meetings	Provide an explanation why the directors think the number of meetings is reasonable
Compliance		

2.00			
	2.01	Notification of material changes	<p>Confirmation that the fund has notified the Commission of all material changes effected during the reporting period to the information previously provided to the FSC in respect of the EIF.</p> <p>Where the FSC has not been advised of changes details should be provided setting out the rationale for not notifying the FSC of the change.</p>
	2.02	Arisen Conflicts of interest	<p>Whether any issues have arisen that have had or could have a negative effect on the fund and its subscribers.</p> <p>For the context of this question we are asking if a conflict has arisen. To include details that the fund would usually minute, exceptional circumstances, not those that have been disclosed in the PPM as potential conflicts of interest.</p> <p>If any conflicts of interest have arisen and these have or could have a negative impact on the subscribers of the fund, please provide details of the conflict and how this has been mitigated/dealt with.</p>
	2.03	Compliance with the EIF Regs	<p>If the answer provided was no, then the rationale needs to be provided why the regulations have not been complied with. The regulations need to be complied with at all times.</p>
	2.04	Breaches of offering document	<p>Confirmation as to whether there have been any instances during the reporting period where the requisites of the offering document have not been complied with i.e. where a process specified in the offering document has not been adhered to.</p> <p>Details of this breach should be provided together with information as to how it was resolved and whether investors were notified as a result.</p>
Fund Performance			
<i>If the fund does not have sub-funds please complete the details for the fund. If the fund has a sub-fund an extra sheet will have been generated for each sub-fund when the number of cells was inputted on the cover sheet. Please include the name of the sub-fund which corresponds to the information being provided.</i>			
3.00	Investment Objective		
	3.01	Investment objective	<p>A brief outline of the investment objective and details of the main aspects of the investment policy.</p> <p>A duplication of the information as provided for in the offering document is not required.</p>
4.00	Financial Information		
<i>The information in this section is to relate to the year end. Where financial information is not yet available for the period ending 31 December, information as at the date of the last NAV for the fund is to be provided.</i>			

4.01	Date of NAV	The date of the relevant reporting period end i.e. 31 December [YEAR]. Or if information is not yet available for this date, then the date of the last NAV is to be provided. For a partnership include the date the Net Assets attributable to Partners was assessed.
4.02	Total value of fund's assets	The total amount of the funds assets at the end of the reporting period or at the date set out in 4.01. Total value of assets is the value of the underlying shares held in the fund's portfolio together with other assets. For a partnership please include the total partners Capital.
4.03	Net asset value of fund	The net asset value of the fund as at the date set out in 4.01 The net value of assets is the Total value of assets less liabilities. For a partnership please include the Net Assets attributable to Partners.
4.04	NAV per share	The valuation of one share/unit of the Fund at the date set out in 4.01. For a partnership please include the share of partnership gains/losses.
4.05	Management shares	The total number of management shares in issue as at the date set out in 4.01. N/A for a partnership.
4.06	Nominal shares	The total number of nominal shares in issue as at the date set out in 4.01
4.07	Fund performance (profit/loss)	The amount of profit (or loss) made by the fund in respect of its investment activities during the relevant reporting period that ends on the date as set out in 4.01. This will include but not be limited to: <ul style="list-style-type: none"> (i) Gains/losses on financial assets and liabilities measured at fair value through profit or loss; and (ii) Realised gains/losses combined with unrealised gains/losses. For a partnership please include the general partnership performance.
4.08	Currency	The currency of the cell/subfund
4.09	Experienced investors	The number of experienced investors as at the date set out in 4.01.
4.10	Participation shares	The total number of participation shares in issue as at the date set out in 4.01.
4.11	Type of investor	The main type of investors invested in the fund, i.e. institutional, fund of funds, HNWI.

4.12	Location	The country in which the majority of investors subscribe from, for example if an institutional client based in Luxembourg, please add Luxembourg.
5.00	Asset Allocation	
<i>The information in this section is to relate to the period in 4.01</i>		
5.01	Fund assets	Where the fund is invested in any of the assets listed, Column A should be ticked. Column B is to include the percentage this asset class represents as a total of the fund's investments. Where the fund is invested in an asset which is not listed details should be provided together with the respective percentages.
5.02	Largest investments	Please list of the ten largest investments of the fund portfolio. The name of the investment should be clearly stated. The percentage the investment represents of the fund's total portfolio / investments should be included in column A. The jurisdiction of the investment/issuer should be provided in column B.
5.03	Main countries where assets are invested	Details of the top three countries in which the fund has investments in. This does not refer to where the assets are held rather the country the investment has originated from. For example where the EIF has invested in a fund, this would be the incorporation country of the fund. Where the country is unknown please add 'unknown'
Further Information		
6.00		
6.01	Have there been any redemptions or subscriptions	Details of whether there has been a clear pattern or trend in subscriptions or redemptions, if so please provide details. The FSC wants information to help better understand the fund and any issues that this can highlight.
6.02	Have the assets and NAV been frozen? If so, why?	Details should be provided as to whether the NAV has been frozen and details of the circumstances that have led to this. Please also provide details of how this is being remedied if possible and how/whether subscribers have been affected. Please also confirm that subscribers are fully aware of the NAV being frozen.

6.03	How are subscribers attracted	<p>The means in which subscribers are attracted to the fund.</p> <p>Please include the names of the individuals who attract subscribers to the fund, such as promoters or intermediaries and how they perform this function. What marketing is carried out and where is marketing carried out.</p> <p>If the fund was not accepting subscriptions during the period, please state this.</p>
6.04	Please provide details of the current level of leverage/gearing	<p>Current leverage or gearing - information to be provided as a percentage of fund's total leverage against total assets of the fund.</p> <p>Details should also be provided as to how this is commensurate with the limits set out in the offering document.</p>
6.05	Please explain if there has been a shift of 10% of investment class within the year	<p>Shift in asset class of more than 10% of the total value of assets during the reporting period and details of the circumstances surrounding the shift. This would include for example brief details for the reason/cause for the fund's investment in changing asset type. This is essentially a comparison to the previous year end. If there has been a significant change of investment class, please state if investors have been made aware of this.</p>
6.06	Please provide details if there have been any breaches of liquidity restrictions	<p>Confirmation that the fund is complying with any liquidity restrictions set out in the offer document, if there have been any breaches this should be set out here.</p> <p>The directors of the EIF are asked to consider how the fund ensures it has sufficient liquid assets to ensure redemptions are paid and under what circumstances restrictions would be imposed to ensure the fund's continued operation.</p>
6.08	Has the fund received a management letter	<p>Where the management letter has not been finalised, a draft copy should be provided to the FSC in the interim (Until such time as a letter is issued in its final format) together with details of the points of contention.</p>

Any advice or interpretation covered in these Notes for Completion represents the views of the FSC as to its expectations of how the requirements of the relevant legislation in question is to be complied with and/or how it fails to be applied. This, however, is not intended as a definitive interpretation of the applicable legislation which is ultimately a matter for the courts to determine. The FSC does not provide, or purport to offer, legal advice.

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